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PRESIDENT OF UNREGULATED PRIVATE "BANK" PLEADS GUILTY FOR HIS ROLE IN PONZI SCHEME

PHOENIX – Edward James Driving Hawk, Sr., 71, of Chandler, Arizona, pleaded guilty on September 6, 2006 to conspiracy to commit mail and wire fraud, in federal district court in Phoenix.

Driving Hawk had been charged based on his role in a ponzi scheme operated through his company, U.S. Reservation Bank and Trust ("USRBT"). USRBT was neither a bank nor a trust, but rather an investment company. USRBT used an Indian Chief logo on its materials and promoted itself as a bank "owned and managed by Indians for Indians" in order to exaggerate its ties to Native American communities and as a means of influencing potential investors. Between September 2000 and February 2002, USRBT recruited investors to deposit upwards of \$1,000,000 in exchange for a promise of future high returns. USRBT commingled the investor funds, rather than holding them in separate, interest-bearing accounts. Driving Hawk and others took money directly from depositor's investments. Driving Hawk received \$35,000 per month during the course of the scheme, and also took additional money from the investor deposits to distribute to his own family members.

A conviction for conspiracy to commit mail and wire fraud carries a maximum penalty of 5 years imprisonment, a fine of \$250,000 or both. In determining an actual sentence, Judge Roslyn O. Silver will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

Sentencing is currently set before Judge Silver on November 13, 2006. The trial for the remaining defendants with whom Driving Hawk admitted to conspiring is set for September 11, 2007.

The investigation preceding the indictment was conducted by the FBI and U.S. Immigration and Customs Enforcement. The prosecution is being handled by Gary M. Restaino, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-06-181-PHX-ROS RELEASE NUMBER: 2006-180(Driving Hawk)